

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

<u>OBJECTIONS TO PRESENTENCE REPORT</u>	<u>PAGE</u>
Mr. Voyles	3
Ms. Leschuck	3
The Court	4
Mr. Voyles	6
Ms. Leschuck	6
 <u>JUDGMENT AND SENTENCE</u>	 <u>PAGE</u>
ARGUMENT ON DISPOSTION	
Mr. Voyles	12
Ms. Leschuck	48
VICTIM IMPACT STATEMENTS	
Mr. Patten	18
Mr. Copenhaver	27
Mr. Todhunter	38
Mr. Richardson	44
ALLOCUTION	
The Defendant	50
JUDGMENT & SENTENCE	
The Court	54

1 (Proceedings commenced 9:00 a.m., January 27, 2014.)

2 THE CLERK: In criminal matters Case Nos. 12-CR-81-2-F
3 and 13-CR-254-1-F, United States of America versus Paul D.
4 Cardwell, set today for sentencing.

5 Counsel, please state your appearances.

6 MS. LESCHUCK: Lisa Leschuck on behalf of the United
7 States.

8 MR. VOYLES: James H. Voyles on behalf of Paul
9 Cardwell.

10 THE COURT: Good morning.

11 MR. VOYLES: Good morning, Your Honor.

12 THE COURT: Mr. Voyles, have you had an opportunity to
13 read and discuss the second revision to the Presentence
14 Investigation Report --

15 MR. VOYLES: I have, Your Honor.

16 THE COURT: -- with your client?

17 MR. VOYLES: Yes, with my client.

18 THE COURT: Good. And are there any factual issues
19 concerning that second revision?

20 MR. VOYLES: No, Your Honor.

21 THE COURT: All right. For the Government, are there
22 any factual issues concerning the second revision to the
23 Presentence Report?

24 MS. LESCHUCK: There are not, Your Honor.

25 THE COURT: All right. I will accept the Presentence

1 Report as the Court's findings of fact.

2 Mr. Voyles, are there any legal issues relevant to the
3 guideline calculation that don't concern either requests for
4 departure or variance?

5 MR. VOYLES: No, Your Honor.

6 THE COURT: Any from the Government?

7 MS. LESCHUCK: There are none, Your Honor.

8 THE COURT: All right. I will put the guideline
9 calculation on the record. This is derived from the second
10 revised report beginning at the top of page 12.

11 We're here today for a sentencing for various
12 offenses, that being Count 1, conspiracy to commit mail and
13 wire fraud, in violation of 18 USC Section 1349; Count 2,
14 conspiracy to commit money laundering, in violation of 18 USC
15 Section 1956(h); and Count 3, conspiracy to commit mail and
16 wire fraud, in violation of 18 USC Section 1349.

17 The guideline for a violation of 18 USC Section 1956
18 offenses is found at Sentencing Guideline 2S1.1 of the
19 guideline. The base offense level relates to the amount of
20 loss. Because the amount of loss was between \$1,000,000 and
21 \$2,500,000, there are 16 levels that are added to the base
22 offense level of 7. That base offense level is for the
23 underlying offense which is for mail fraud.

24 So 7 as a base offense level with the addition of 16
25 levels results in a level 23.

1 However, two more levels are added because the
2 defendant abused a position of trust as CEO of the hospitals
3 where the fraud schemes were perpetrated. Therefore, we start
4 with an offense level of 25. Again, that is derived from the
5 mail fraud base offense level of 7, the amount of loss
6 enhancement which is a 16-level enhancement and two levels
7 because of the abuse of a position of trust.

8 Then we have a one-level enhancement for the money
9 laundering offense. The defendant was convicted of a
10 conspiracy under 18 USC Section 1956(h). The sole object of
11 the conspiracy was to commit the offense set forth in Section
12 1957 which is mail fraud. As a result, one level is added.

13 Two levels are added because both the mail fraud and
14 the money laundering offense involve the use of sophisticated
15 means.

16 Four levels are added because the defendant was an
17 organizer and manager within both offenses, that being mail
18 fraud and money laundering. Both offenses involved extensive
19 planning and efforts spanning over eight years involving two
20 jurisdictions.

21 The defendant impeded justice in relation to both the
22 mail fraud and money laundering offenses by fleeing the United
23 States while he was on pretrial bond supervision to avoid
24 prosecution.

25 Therefore, after those various enhancements we are at

1 an adjusted offense level of 34. The defendant accepted
2 responsibility, and so he receives a two-level reduction.

3 And he assisted the authorities in the investigation
4 and prosecution of his own conduct and that results in a
5 one-level reduction. Therefore, we are at a total offense
6 level of 31.

7 To the defendant's credit, he has no countable
8 criminal convictions. With a total offense level of 31,
9 Criminal History Category I, the guideline range is 108 to 135
10 months.

11 Any objections to the Court's recitation of the
12 guidelines? Mr. Voyles.

13 MR. VOYLES: On behalf of the defendant, none, Your
14 Honor.

15 THE COURT: For the Government.

16 MS. LESCHUCK: None, Your Honor.

17 THE COURT: At this time I normally turn to defense
18 counsel for a statement on disposition. However, I do want to
19 put a number of documents on the record that I have received
20 concerning this sentencing so that we can just verify that
21 everybody has the letters. I have had an opportunity to read
22 all of these letters. If there are letters that I don't
23 reference, please bring those to my attention. They came in a
24 bit sporadically, and some of them, I believe, are duplicates.

25 So on behalf of the defendant I have a letter from

1 Joseph A. Rushton who was a former math instructor and football
2 and track coach and sponsor of the Fellowship of Christian
3 Athletes during the time that Mr. Cardwell was in -- at Tipton
4 High School. He may still be -- it looks like he's still a
5 teacher, but that's how he derives his familiarity --
6 familiarity with Mr. Cardwell is that he was his math teacher,
7 football and track coach and sponsor.

8 He writes a character letter concerning his
9 experiences with Mr. Cardwell during that period of time,
10 speaking to his time as a student and athlete, his involvement
11 with student council, the fact that he was student body
12 president; he was an active member of the Fellowship of
13 Christian Athletes. After graduation when Mr. Cardwell came
14 back to Tipton, he was a member of the community, active -- an
15 active member of the community and served on the school board.

16 Mr. Rushton comments that these positive qualities are
17 not lost to an individual, and he writes to call them to my
18 attention.

19 I also have a letter from Denny Altherr . He was a
20 classmate and friend of Mr. Cardwell. He has some
21 disabilities, and he speaks to his experience with Mr. Cardwell
22 as a genuine and caring individual who was there for him in
23 school when he had to endure torment and teasing. So he writes
24 a character reference speaking of Mr. Cardwell's kind heart and
25 caring nature.

1 I have a letter from Mrs. Barbara Cardwell, the
2 defendant's mother. She also provides some history concerning
3 Mr. Cardwell's time as a young boy, both positive and negative
4 experiences that she believes affected Mr. Cardwell. She
5 speaks that he was a popular child and young man. He was a
6 hard worker, working from the time he was 13 years old. She
7 addresses his time in school and his time as CEO at White
8 County Hospital in Indiana.

9 She details a number of volunteer activities that Mr.
10 Cardwell has dedicated himself to supporting, including youth
11 football league, Goodwill, Special Olympics, Rotary and various
12 Red Cross activities concerning different weather events.

13 She addresses his time as president and member of the
14 board of directors for the Indiana Hospital Association Board
15 as well as the Indiana Healthcare Financing Board.

16 She addresses some volunteer work in Thailand, and in
17 general she provides an overview of the characterization, as
18 she puts it, of the real Paul.

19 I also have a letter from John Cardwell, the father
20 figure for Paul Cardwell. While he admits he does not know the
21 details of the charges, the point of his letter is to explain
22 his experience with Paul. He characterizes him as the best
23 son, and he addresses in detail his view of Paul's capacity to
24 do good.

25 I have a letter from Lisa Elaine Hobbs, Mr. Cardwell's

1 sister. She addresses their time as a child, some of the
2 negative experiences that they both experienced during that
3 time and hopes that he receives help for some of those
4 experiences when he's in prison. Again, it is a character
5 reference letter.

6 I have a letter from Jeanine, I believe it is, Wade or
7 Dade --

8 THE DEFENDANT: It is Wade, Your Honor.

9 THE COURT: Thank you.

10 THE DEFENDANT: Yes, ma'am.

11 THE COURT: -- a family friend. She was a teacher
12 with Mrs. Cardwell, Paul's mother, and she addresses his time
13 there in Tipton and the experiences that she had with him when
14 he worked at the pool and helped her with some of her house
15 issues.

16 Let's see if I can get out of this document.

17 I have some victim letters. I have a Victim Impact
18 Statement from the Indiana University of Health which addresses
19 their -- the effect that the criminal conduct had on that
20 institution. In addition to monetary losses which -- most of
21 which has been recovered through insurance, they also describe
22 that the experience consumed substantial management, personnel
23 resources. It was a distraction of the organization leadership
24 from operational issues, and it generated public interest
25 within the community and impacted the image of the institution

1 and the trust of the citizens.

2 I have a Victim Impact Statement from Powell Valley
3 Healthcare which is quite lengthy, describes the conduct as
4 devastating to the Powell community. They not only -- are they
5 troubled by the fraud, but also the fact that they feel like
6 they paid a large sum to a CEO who was largely absent from the
7 facility. They lost their CFO over this incident. They
8 expended funds to investigate, and, again, they have a long
9 statement about the distraction of time and energy that this
10 caused to the board.

11 The board members also indicate that they felt like
12 they lost the faith and trust of their own community and, in
13 turn, temporarily lost faith and trust in the management
14 services firm HealthTech.

15 They discussed the facility expansion and remodeling
16 cost that was put on hold due to the serious cash flow problems
17 at the hospital. They discussed the low morale and lack of
18 trust in the administration that this caused both within the
19 employees as well as the community, the sleepless nights and
20 the countless hours in extra meetings and time away from family
21 and children that this caused the board members, and, on top of
22 that, facing a hostile community.

23 They express concern over what they perceive was a
24 binding plea agreement -- this case does not concern a binding
25 plea agreement -- and address a number of the guideline

1 calculations, many of which have been applied in this case.

2 I have a letter from, I think it is, Mr. Richardson
3 from -- yes, Eli Richardson from the Bass, Berry and Sims Law
4 Firm addressing some of the same points in the Victim Impact
5 Statement and essentially providing a memorandum on guideline
6 calculations and how those calculations should apply in this
7 case.

8 The sense from this is that the enhancements that
9 have -- many of which have been applied should apply and that
10 the guideline range -- while I don't believe a guideline
11 range -- or a sentence is recommended in the memo, the sense is
12 that the guidelines don't adequately capture the need for
13 punishment to reflect the seriousness of the crime, to afford
14 deterrence and to protect the public.

15 I have a letter from Tracy Copenhaver on behalf of
16 Powell Valley Health which in a lengthier and with more detail
17 essentially supports the information in the victim impact
18 statement. Again, the context of the letter assumes
19 incorrectly that there was a binding plea agreement in this
20 case. There is not. The focus of the letter is that had that
21 been the case, the anticipated guideline range would be
22 inadequate.

23 I don't believe Mr. Copenhaver expresses what he
24 thinks an adequate sentence would be. Much of this letter
25 discusses applicable enhancements from Mr. Copenhaver's

1 perspective and the need for a sentence to address the --
2 either by way of departure or variance upward to address the
3 severity of the offense, the need for punishment and the need
4 for protection.

5 I apologize for my delay. Some of this came, again,
6 in a duplicate context, so I'm just making sure I didn't miss
7 any of the letters.

8 Mr. Richardson in the packet that I received does
9 provide some supporting documentation by way of e-mails that
10 came from Mr. Cardwell, and transcripts of depositions were
11 attached as well.

12 Are there letters that have been provided to the Court
13 by way of filing in CM/ECF or provided to the probation office
14 that are not identified?

15 MR. VOYLES: No, Your Honor.

16 THE COURT: All right. Thank you, Mr. Voyles.

17 MS. LESCHUCK: None from the United States, Your
18 Honor, of which I am aware.

19 THE COURT: All right. Mr. Voyles, I would offer you
20 the opportunity to address the Court first on disposition.

21 MR. VOYLES: Thank you, Your Honor. May it please the
22 Court.

23 THE COURT: Counsel.

24 MR. VOYLES: Judge, I think the Court in articulating
25 the letters that we provided as part of our sentencing

1 memorandum to the Court addressed -- and my view really is,
2 Your Honor, that the probation officer, Mr. Fitzgerald, did an
3 excellent job in this particular case. But what I tried to do
4 with the memorandums were to provide kind of an overall picture
5 of Mr. Cardwell that ultimately the Court is going to need to
6 make an ultimate decision about punishment in this particular
7 case.

8 So I thought the letters kind of painted for the Court
9 the individual before the Court ever knew him, before the Court
10 was involved in Mr. Cardwell's criminal conduct so that you had
11 some ability to maybe, in your own mind when you fashion a
12 sentence, rationalize, if you can, this dichotomy that appears
13 on the record.

14 We have a young man who was extremely successful in
15 high school, very bright, was a leader, achiever, that was
16 spoken well of by all those who have written his letters. His
17 mother, Mrs. Cardwell, is here. She's in the courtroom. She
18 drove and flew from Indianapolis to be here with him.

19 And she's suffering the same kind of things that I
20 think Your Honor does. She's embarrassed to be here. She's
21 disappointed. She's angry; all of the emotions that I expect a
22 mother, a parent would feel when they have to come in front of
23 a federal court to see their son or daughter sentenced on a
24 serious criminal violation.

25 The Court reflected that Mr. Cardwell has no prior

1 criminal history, which is accurate, and was someone who until
2 I met him appeared to be someone who was successful, high
3 achiever, well thought of, even in White County. He was the
4 CEO of choice by the media and others, as the Court knows, and
5 he was someone who people could look to as a leader, who was
6 respected.

7 But yet behind that, we're seeing this conduct that
8 the Court has described and that Ms. Leschuck and I have been
9 dealing with for over a year: Fraud, deceit, money laundering,
10 fleeing the jurisdiction, coming back only as a result of the
11 Government ultimately finding Mr. Cardwell in Thailand.

12 So trying to wrap our minds around those two different
13 people is difficult, and I recognize that.

14 I'm so glad, really. I was standing in front of a
15 federal judge in the Southern -- Northern District of Indiana
16 on January 12th, 2005, when Booker came down, and it was an
17 interesting day. Judge Sharp was a very learned and wonderful
18 judge in our district, and ultimately began my first experience
19 with dealing with Booker matters when we're not bound by the
20 guidelines.

21 We certainly know that judges like yourself use the
22 guidelines as a barometer in an ability to assess criminal
23 conduct, character, background, criminal history in order to
24 try to find a proper means, a balancing as between these and
25 what we feel and see as an opportunity for the Court.

1 Because I grew up in the -- in both systems. I
2 certainly grew up prior to the guidelines, and I've certainly
3 lived with the guidelines. I feel like I'm kind of back in my
4 childhood now when the guidelines are advisory only.

5 So we use the 3553 to give what I call judicial
6 discretion back to the Court. And those factors that we look
7 at are certainly factors that we have to consider, the nature
8 and history of the offense, the characteristics of the
9 defendant. Well, we certainly have a series of criminal
10 conduct that are very difficult. He's accepted responsibility
11 for them, but this doesn't lessen the fact that those were
12 crimes that Mr. Cardwell committed.

13 We reflect on whether or not the general public in
14 looking at this sentence that the Court will ultimately impose
15 in this case will be able to feel that justice was done
16 properly in this case.

17 To protect the public from further criminal conduct
18 from people who see what sentence that Mr. Cardwell receives in
19 this particular case.

20 Provide the defendants with needed evaluation,
21 rehabilitation; well, I'm not sure that's really a factor in
22 this case. It is not someone who comes before the Court that
23 is significantly in need of education or medical treatment, but
24 he certainly is someone who has got to reflect on his own
25 conduct.

1 And the rehabilitation, Your Honor, I think has
2 started when he was arrested. The attitude of the man that I
3 saw in my den when he first came to my house and was brought by
4 another lawyer friend of mine who was his prior counsel is
5 certainly a different man than I see today. And I've said that
6 to him. I've said that to his mother. And I've said that to
7 the Government. I think he's made an effort to accept the
8 total responsibility for his conduct. He's going to exercise
9 the right of allocution in this case for you.

10 I know that there is a sentence that previously had
11 been imposed in this court on the codefendant, Mr. Plake, and I
12 know that his sentence was approximately 30 months. We now
13 have a guideline calculation in our case that would put us
14 between 108 and 135 months.

15 So I know when you look at the 3553 factors, they're
16 also considering to avoid unwarranted sentence disparity
17 between defendants who have committed like criminal conduct.
18 Now I certainly know that Mr. Cardwell had some other factors,
19 clearly obstruction. Clearly the Government believed that he
20 was the leader and that was where the four points -- and we
21 filed an objection, but the Court has accepted the four points
22 instead of the two increase in that capacity.

23 But when you -- when you say 30 months instead of the
24 108, I think that there should be some balancing from the top
25 end down in order to appropriately hand Mr. Cardwell an

1 appropriate sentence in this case. Ms. Leschuck will talk
2 about the fact that there is a 5K1 not to be addressed today,
3 but that that is going to be made part of the record and will
4 be dealt with at a later time.

5 So I would respectfully urge the Court to consider a
6 departure based upon 3553 factors to in the range of 27, 26
7 guideline calculation in order for Mr. Cardwell's sentence to
8 be at least in parity with the sentence imposed on Mr. Plake.
9 The 27 is a 70 to 87 months; the 26 is a 63 to 78 month
10 imposition of the sentence.

11 Your Honor, I think that those factors, the factors
12 the Court has previously addressed and letters that have been
13 written on behalf of Mr. Cardwell, the fact that Mr. Cardwell
14 has accepted full and complete responsibility for his conduct.
15 And I would urge the Court to listen carefully, and I know the
16 Court will, in Mr. Cardwell's allocution to this Court. Thank
17 you.

18 THE COURT: Thank you very much, Mr. Voyles.

19 THE COURT: Ms. Leschuck.

20 MS. LESCHUCK: Your Honor, would it be appropriate at
21 this time, there are certain victims that would like to speak
22 on behalf of their respective employers and if this is the
23 time.

24 THE COURT: That would be fine.

25 MS. LESCHUCK: The United States would like the Court

1 to recognize Mr. Bill Patten. He's currently the CEO of Powell
2 Valley.

3 THE COURT: Mr. Patten, please step forward. Good
4 morning, sir.

5 MR. PATTEN: Good morning, Your Honor.

6 THE COURT: If I could ask you to please state and
7 spell your name.

8 MR. PATTEN: My name is William Davis Patten,
9 P-A-T-T-E-N Junior. Thank you for the opportunity to speak on
10 behalf of Powell Valley Healthcare. I would like to introduce,
11 if I may, three members of the Powell Valley team that will not
12 be speaking today. With me are Dr. Valerie Langfelder.
13 Dr. Langfelder is chief of our medical staff, and she sits on
14 the Powell Valley board of directors.

15 Cheri Benander is the vice-president of resident care
16 services, and she also serves as our compliance officer.

17 And Mike Gilmore is the vice president of outpatient
18 services.

19 Your Honor, I have had the honor and privilege of
20 serving as the president and chief executive officer of Powell
21 Valley Healthcare since February 27, 2012. I am employed by
22 HealthTech and serve as their representative at Powell Valley
23 Healthcare.

24 My first day on the job was the very day that the
25 newspapers publicly announced the embezzlement scheme of Paul

1 Cardwell and Michael Plake. Quite a welcome to my new job.
2 Many have asked me if I knew all details of the embezzlement
3 scheme before I accepted the offer to work at Powell Valley. I
4 respond by saying that I was shown the table of contents of the
5 book but not the whole story, because the whole story had not
6 yet to be written.

7 I now understand that they couldn't have given it to
8 me. The deception that had been perpetrated against my
9 organization and my community had been promptly and thoroughly
10 investigated by Powell Valley Healthcare and HealthTech;
11 however, not all the details had been discovered and the damage
12 that the deception had caused, though obvious in some ways, was
13 not fully understood at all levels. I would like to share
14 with you a number of specific ways in which Powell Valley
15 Healthcare and my employer HealthTech have been damaged by the
16 actions of Paul Cardwell.

17 We will start with the obvious, the financial
18 considerations. As healthcare organizations go, Powell Valley
19 is a small facility. We operate on razor-thin margins and live
20 or die based on our ability to leverage our limited financial
21 resources. The diversion of almost \$850,000 created numerous
22 financial challenges for our organization, some of which we
23 actually are still struggling to overcome. Cash flow was the
24 most apparent. While we actively take steps to assure that we
25 have adequate cash reserves, the impact of paying out almost

1 \$850,000 in fraudulent invoices severely depleted our cash.
2 During our last fiscal year, Your Honor, we at one point got
3 down to five days cash. That is scary in any CEO's book. We
4 delayed needed capital equipment purchases. We established a
5 line of credit with our local bank, just in case we couldn't
6 pay our bills or meet our payroll obligations.

7 The cost to our healthcare organization to fill our
8 CEO vacancy or for that matter other senior leaders like CFOs
9 is very high when you consider the cost of recruitment, the
10 impact on strategy, the diversion from focus, the loss of
11 momentum and the effect it has on operations and finances.
12 Powell Valley incurred huge costs and got nothing positive. In
13 fact, all we got was negative to show for it.

14 In addition to the financial damage, Powell Valley has
15 had to deal with leadership instability in a number of
16 different ways as a result of Mr. Cardwell's actions.
17 Mr. Cardwell's lack of direction and lack of attention to
18 issues of the organization during his short tenure still
19 adversely affect Powell Valley Healthcare. And it is important
20 to note that Mr. Cardwell was absent during much of the time
21 that he was actually employed by my facility.

22 The damage Mr. Cardwell did to our organization goes
23 far beyond the dollars though, Your Honor. There are a number
24 of community issues, community perceptions, if you will, that I
25 would like to highlight. Whenever an organization suffers a

1 serious setback such as an embezzlement scheme, it is natural
2 for folks to say, "How could this have happened? Who was
3 asleep at the switch? Don't we hire people to make sure things
4 like this don't happen?"

5 When this scheme hit the news, the issues that were
6 raised called into question the competence of the other leaders
7 at all levels of our organization and the situation
8 unnecessarily created stress and anxiety. Many in my community
9 openly questioned the board of trustees asking something -- how
10 something like this could have happened. The board themselves
11 agonized over this issue.

12 Fortunately Powell Valley and HealthTech working
13 closely together were able to uncover this scheme after only
14 about six months, whereas, to my understanding, the Indiana
15 hospital didn't uncover this until our situation came to light
16 and found that theirs -- their organization had lost money over
17 a six-year period.

18 Our board had to address the obvious question of how
19 this happened, and countless hours were spent reviewing and
20 re-reviewing internal processes and controls. The competence
21 and loyalty of the remaining administrative team was
22 questioned. Internal strife was common and loyalties were
23 called into question. Early in the experience the medical
24 staff was pitted against the board, and the long-standing
25 positive relationship between HealthTech and Powell Valley

1 Healthcare, a relationship that goes back to 1992, was strained
2 almost to the point of breaking. That relationship has emerged
3 fully intact, thanks only to the good faith and diligence shown
4 by both sides and no thanks to Mr. Cardwell.

5 There are also internal conflict and unnecessary
6 distraction considerations that I would like to describe for
7 you, Your Honor. From my first day on the job the issues
8 related to this embezzlement scheme have been an unnecessary
9 distraction. Yes, we have had to work to repair the financial
10 impact on the organization. I guess you might say that was the
11 easier part of the job.

12 The more difficult part and, as it has turned out, the
13 much longer process has been the work we continue to do to
14 repair and restore trusting relationships. We have spent much
15 time providing documentation and explanations regarding this
16 incident, and we have had to deal with the constant barrage of
17 front page above-the-fold stories. We were stuck in quicksand
18 and could not move past the pain of this scheme and its impact
19 on our organization. In fact, as I prepared to come down here
20 today I can't tell you how many people said, "So when is this
21 ever going to end?"

22 The front page nature of this story has affected our
23 ability to recruit especially medical staff, administrative
24 leaders and department heads. Anyone who Googles our
25 organization will find one of the first things this issue, so

1 we have had to repeatedly tell and explain the embezzlement
2 story. We have had to reassure potential candidates that our
3 organization is, in fact, well managed and that it does remain
4 financially viable. And that was just with the ones that
5 called us. We can only wonder how many qualified potential
6 candidates never even gave us a call because of the negative
7 publicity that we have suffered.

8 Morale at my organization became very low, and
9 employees were concerned about their jobs. In fact, early in
10 my tenure we performed a reduction in force, one of those
11 things that you don't like to do, but when the numbers get very
12 tight you have no other choice.

13 Board members have seriously considered resigning from
14 the board as a result of this situation. They have questioned
15 whether they have let the organization down. They have
16 agonized over their role in how this could have been allowed to
17 happen. Board members themselves have devoted countless
18 hours -- and, remember, this is a volunteer board. They are
19 not compensated in any way -- dealing with the issues resulting
20 from Mr. Cardwell's actions.

21 These situations have resulted in extreme stress, many
22 extra meetings and time away from their families. The PVHC
23 board has been rewarded for the many hours of service by
24 encounters with hostile community members who are angry over
25 the loss created by Mr. Cardwell.

1 Mr. Cardwell made a large pledge to our foundation,
2 but nothing was actually donated. He bought a lavish house,
3 but reneged on that deal. He even told folks he assisted with
4 surgery on Peyton Manning and that he was a decorated Navy
5 Seal. While entertaining stories, the repeated lies and
6 misrepresentations have damaged the credibility of my
7 organization.

8 Your Honor, from what I have been told, Mr. Cardwell
9 lied about everything. No one ever saw his wife in Powell,
10 even though he repeatedly insisted she was there and we have
11 since learned that she never was. In fact, he went so far as
12 to tell his folks that his wife climbed -- it is called Heart
13 Mountain. It is a famous landmark in our valley. And to make
14 the story even better, she climbed it in flip-flops. This is a
15 7.5 mile round trip hike with an elevation gain of 2,560
16 vertical feet.

17 Mr. Cardwell repeatedly told Powell Valley Healthcare
18 and HealthTech personnel that his wife had a mental illness.
19 While Powell Valley and HealthTech personnel responded with
20 patience, understanding, sympathy and even prayers, he repaid
21 them with still more lies, stating his need to stay in Indiana
22 to care for his wife, when in actuality he was in Thailand with
23 another woman.

24 I have never heard a statement of regret that has been
25 issued by Mr. Cardwell. To my knowledge he has not apologized

1 and has not asked for forgiveness from the leadership team, the
2 people he worked most closely with, the people he betrayed, two
3 of whom are with me here today. He has not apologized or asked
4 for forgiveness from the community that he betrayed, and he has
5 not apologized or expressed any sense of remorse to the
6 employer that he betrayed, nor to my knowledge has he offered
7 any form of restitution.

8 Your Honor, I would also like to share the personal
9 impact Mr. Cardwell's actions have had on me and my career. My
10 relationship with the board of Powell Valley Healthcare was
11 seriously affected by this embezzlement scheme. Any new CEO
12 has to prove themselves. They must develop a trusting
13 relationship with their new board. In my career I have had
14 this getting-to-know-you experience three different times
15 before I moved to Powell.

16 I can assure you that my first year in Powell has been
17 anything but normal. The board has been far more cautious.
18 They do not want to get burned again and they have repeatedly
19 made statements to the effect of, "Bill, this isn't about you,"
20 but when the decision-making process is affected and you're the
21 leader, it feels like it is about you.

22 The board's decision-making process itself has become
23 more conservative, and their approach to policy development is
24 far more hands on than it should be for most boards. This is
25 an understandable reaction to the recent experience but has

1 still made the decision-making process much more complicated,
2 and therefore, much more slow than it would have been had Paul
3 Cardwell not committed these crimes.

4 Even my relationship with local legal counsel has been
5 strained. I'm a HealthTech employee, and they understandably
6 question my loyalties and have been reluctant to include me in
7 certain discussions in which a CEO would normally be included.
8 I am proud and gratified to see how in the end counsel for
9 Powell Valley were able to work productively together with me
10 and counsel for HealthTech, but I can tell you it was not easy.

11 One additional comment I would like to make, Your
12 Honor. There was mention of no previous criminal convictions.
13 That's just a matter of luck. There should have been. When
14 you look at the sequence of time, there should have been a
15 conviction on the books before our issue ever came to light.

16 Finally, the long-standing positive and trusting
17 relationship between HealthTech and Powell Valley Healthcare
18 was strained almost to the breaking point. This strained
19 relationship could directly have affected my employment and my
20 career. If the contract with HealthTech goes away, I'm not
21 allowed to be employed by the organization. And so if they get
22 divorced, I'm a child that no longer has a parent, if you will.

23 The evidence is clear, Your Honor. We have learned
24 that the embezzlement scheme in Powell was not the first scam
25 perpetrated by Mr. Cardwell and Mr. Plake. They were

1 successful defrauding my organization because they had
2 perfected their scheme in Indiana. What took six years there
3 took less than six in Powell. Mr. Cardwell was clearly the
4 instigator and the mastermind behind both schemes.

5 Your Honor, I believe it is impossible for
6 Mr. Cardwell to repair or make restitution for all the damage
7 he has done to my organization. He should never be allowed to
8 serve in a position of trust again. He should be excluded from
9 participation in the Medicare and Medicaid programs, and he
10 should serve the longest sentence the law will allow. And in
11 my opinion, Your Honor, that still will not be long enough for
12 justice to have been served.

13 Thank you for the opportunity to offer my thoughts.

14 THE COURT: Thank you, Mr. Patten.

15 MS. LESCHUCK: Your Honor, I believe the next
16 individual to speak is Tracy Copenhaver, and he is counsel for
17 Powell Valley.

18 THE COURT: Mr. Copenhaver, good morning. If you
19 could state and spell your name.

20 MR. COPENHAVER: Yes, Your Honor, thank you. Tracy
21 Copenhaver, T-r-a-c-y C-o-p-e-n-h-a-v-e-r. May it please the
22 Court.

23 THE COURT: Counsel.

24 MR. COPENHAVER: Your Honor, this has been a long
25 process. We have spent hundreds, literally hundreds, if not

1 thousands, of hours tracking Paul Cardwell, trying to figure
2 out what happened to our institution, how this could happen,
3 did it happen and getting it in a position that we could work
4 with the FBI to actually prosecute Mr. Cardwell.

5 And as you're aware, he did to Powell Valley
6 Healthcare in approximately six months what he did at Indiana
7 at White County Memorial Hospital over a period of about six
8 years. This is a man that has no remorse. He's carried out
9 this scheme in Indiana over a period of years, completely
10 abusing the trust that he got in a position where people looked
11 up to him. When he left that hospital, he had rave reviews.
12 He had conned them beyond belief. They thought he was great,
13 without ever knowing how much money he had stolen from them.
14 We know it was over \$800,000.

15 There are numerous other questionable activities that
16 we didn't investigate in Powell but we became aware of and
17 called to the attention of the folks in Indiana. The amount
18 that we know he took is a minimum. He took approximately
19 \$850,000 from Powell.

20 You know, Your Honor, when he came to Powell he had
21 the intent of defrauding us before he ever got there. One of
22 his first things he did when he got to Powell Valley Healthcare
23 was remove the individual that was employed to help and assist
24 with recruiting, coordinate recruiting, take him out of the
25 picture. He said he would do it himself. That's one of the

1 first things he did. And the first month he was there he
2 brought up this Plake & Associates, this wonderful recruiting
3 firm that he had worked with and they were excellent and that's
4 who we were going to use.

5 Your Honor, Powell Valley Healthcare had used
6 recruiters. Every hospital does. We contracted with a
7 management company, HealthTech. HealthTech does recruiting for
8 us. That's the management firm that employed Mr. Cardwell to
9 be our CEO, and they themselves did recruiting and he didn't
10 use them. And we hire separate recruiters. He didn't use
11 them. Those recruiters, if they place somebody in your
12 hospital, you pay them. If they don't, you don't.

13 But Mr. Cardwell's idea was, I've got this recruiting
14 firm, Plake & Associates, that's so great and I want them to
15 work so hard on this, we're just going to pay them up front for
16 every search regardless of whether he ever places anybody.

17 Your Honor, there is not -- and we have reviewed
18 thousands of documents in this case. There is not a letter,
19 there's not a brochure, there's not an e-mail, there is --
20 there is nothing that shows Plake & Associates recruited
21 anybody. There is no person that ever was interviewed or
22 applied at our hospital that said they had been contacted by
23 Plake & Associates. It did not happen. It was an entity, a
24 shell company set up to facilitate a fraud.

25 When Mr. Cardwell came to Powell Valley Healthcare,

1 not long after he was there -- well, from the very beginning he
2 started his lies. But not long after he was there, he started
3 lying about reasons why he shouldn't -- couldn't be there. He
4 needed to go to -- I believe it was Hong Kong, China, to work
5 with the national accreditation association to accredit
6 hospitals because it was an honor for him to be a part of that
7 committee. And Powell Valley Healthcare didn't want to get in
8 the way of that and allowed him to go.

9 That was a lie. He went over there to be with his
10 wife or girlfriend. I still haven't figured out whether he was
11 married over there because the luxurious golf course that he
12 played golf at all the time does a report, and they constantly
13 told us about how well Mr. Cardwell and his wife were playing
14 in the tournaments that he played in over there. That's some
15 of the stuff we later found out. I don't know if he conned
16 them into thinking that was his Thai wife or if he was actually
17 married over there. But he was spending time with her. He was
18 spending our money.

19 In addition to that, another one of his lies was that
20 he operated a charitable hospital for poorly inflicted youth
21 with HIV. He had people at our hospital that were admiring
22 him, that were commending him on his great charitable efforts,
23 who supported him on being away from his job. Doesn't exist.
24 Another lie, fabrication, a story where he just absolutely
25 abused people he was working with and who trusted him.

1 We eventually launched this investigation after
2 looking into -- just becoming concerned about so many things
3 that weren't adding up. Finally we had some auditors come in
4 insisting on seeing the contracts between PVHC and Plake &
5 Associates. Of course Mr. Cardwell told everybody, "Oh, yeah,
6 I'll get them to you." They didn't exist.

7 A few days later he and Mr. Plake got some contracts
8 fabricated. We tracked the e-mails where he set them up, and
9 that's where the house started to tumble down.

10 When he knew he was about to be caught, he resigned
11 and his resignation was rapidly accepted by HealthTech. He
12 actually tried to ask the board to allow him to rescind that.
13 And I remember a meeting at which this board was at, knowing a
14 little bit about what had gone on and getting -- starting to
15 get the real picture of who Mr. Cardwell was. And there was
16 people in that boardroom ready to lynch that board for not
17 allowing him to withdraw his resignation. He had everybody so
18 buffaloed it was unbelievable. He is a con man extraordinaire,
19 and you're going to see some of that today.

20 He eventually was charged with 14 counts of attempted
21 conspiracy and another count of wire fraud which has already
22 been dropped to, I believe, two and one. Your Honor, he's been
23 before you at the change of plea hearing and changed his plea.
24 This Court set pretty straightforward conditions of bond, told
25 him what the Court required. He walks out of the courtroom,

1 thumbs his nose at everybody -- at the victims, at the U.S.
2 Attorney's Office, at the Court -- fraudulently takes a
3 passport of someone else, uses it and flees the country.

4 For that he was rewarded with nine months at a beach
5 resort town in Thailand where he lived a life of luxury, as
6 reported by the Thai newspaper, without working. Fortunately,
7 we had an informant that saw that that was a little weird or he
8 would still be there. He's not here because of remorse. He's
9 here because he got caught and that's the only reason he's here
10 or he would still be spending our money over there.

11 Despite his efforts at skipping bond, he received one
12 additional charge, and I think we pointed out he actually could
13 have been charged with three or four other things. He wasn't.
14 He has already received leniency, we believe, Your Honor.

15 The depth of the lies he has gone to are basically
16 unbelievable. As I mentioned, Plake & Associates was basically
17 a fictitious entity he used for a fraudulent scheme to defraud
18 us out of money. He lied constantly about his family being in
19 town and his wife feeding the chickens and his son working at a
20 Chinese restaurant in Cody. And the lies went on and on and
21 on. But he was admired and he was looked up to.

22 Your Honor, you may have been provided this, but I
23 think it will only take a couple minutes and I would appreciate
24 just reading two e-mails. And like I say, I think I can do it
25 in two minutes. But this probably typifies Mr. Cardwell as

1 much as anything. This is an e-mail written on August 18th,
2 2011. It was written to several members of the medical staff,
3 it was written to two board members, and it was written to the
4 vice president of -- -I think her role was patient affairs.

5 This is what he writes: "Obviously I would hope to
6 keep this e-mail as quiet as possible. My wife Kim has
7 suffered from a mild mental illness for several years. Every
8 several months when the meds are working, she decides she's
9 feeling better and no longer requires medication and treatment.
10 What follows is erratic behavior and depression. It pains me
11 to disclose this information, but it is fairly obvious
12 something is wrong with the Cardwell family.

13 "Kim loaded up the kids -- Chelsea, Alex, Alicia and
14 Jake -- and went back to Indiana when I was overseas."
15 Remember, Judge, these folks were never in Wyoming, ever.
16 "What follows is tough talks with her to return to counseling
17 and restart the medications. Because of the half-life of the
18 drug, it is often several days until she returns to herself."
19 The guy has quite an imagination.

20 "I love Powell and PVHC and plan on staying a long
21 time. I would like to return to Indiana, get her straight and
22 back on the meds, and return to Powell with her, hopefully, and
23 certainly with Jake, Alex and Alicia."

24 He was in Thailand, he wasn't going home. He wasn't
25 going to be with the family.

1 "Jake decided to go with her back to Indiana for
2 support and to take care of his little sisters. This is not
3 new to the older kids, and I greatly appreciate their maturity
4 at 16. While this was pointed -- painful to write, I have a
5 great family and substantial fiscal resources but mental
6 illness is a bitch. My mom and hers is with her now until I
7 get there. So that is the story. I hope to return late next
8 week."

9 He throws his wife under the bus. He throws his kids
10 under the bus. He lies to the top management in the hospital,
11 all so he can be in Thailand with his girlfriend or wife,
12 spending the money he has defrauded us out of.

13 Now, he is so busy over there having fun and working
14 on real estate deals, he doesn't even come back the 26th when
15 he says he will. He writes another e-mail and this was
16 extremely short. And this one was written on August 29th, also
17 to the administrative staff and some medical doctors as well as
18 his employer, HealthTech.

19 August 29th. "Hi guys. I'm still working hard on
20 physician recruiting, finance and architectural planning
21 renovation." We didn't see any evidence of that. "I have
22 secured a grant for a linear accelerator for PVHC." We didn't
23 get that. "If we can afford the ball that goes in and the
24 startup of an advanced cancer oncology program, we're looking
25 for a radiation oncologist starting this week, and I think

1 Robin may have a lead on the oncology nurses.

2 "In a last bit of defiance I'm embarrassed to admit
3 Kim threw her mother's and my cell phone in the sink." Your
4 Honor, it is tough to reach him by cell phone when he's in
5 Thailand, hence the lies about his phone being thrown in the
6 sink. "Hope to have it working soon. On that note, she
7 started a 15-day inpatient stay yesterday. Her physician feels
8 the time to regulate the medication and depression treatment
9 will work wonders. I hope because -- I hope -- I hope it does.
10 It has been bad this time."

11 That's the type of stuff that he absolutely had staff
12 praying for him, feeling sorry for him, granting him leave. He
13 absolutely conned us like none I've ever been involved with.

14 It is not just that, Your Honor, I was surprised when
15 I read the transcript of his change of plea hearing. And I
16 don't know why I should have been surprised after having done
17 the work we did. I know he won't tell the truth. But he was
18 before Your Honor. He was put under oath. You clearly
19 instructed him about the importance of being -- telling the
20 truth when he was in this courtroom under oath.

21 And he still didn't. There are several questions
22 where he just flat was dishonest with the Court. From little
23 things, like he was asked under oath, "So did you work through
24 the 2011 year with your employer Powell Valley Healthcare?"

25 "Yes, I did." No, he didn't. He was there from March

1 till September and had already stolen over \$847,000. And he
2 left because he was -- he had been caught. He wasn't there for
3 a year.

4 He testified under oath again that he had put together
5 a company known as Plake & Associates for the purpose of
6 recruiting physicians. We know that never happened. Your
7 Honor asked him a question under oath: "To the best of your
8 knowledge, did he," referring to Mr. Plake, "undertake any
9 recruiting at all through Plake & Associates?"

10 Paul Cardwell's sworn response was, "Your Honor, I did
11 significant recruiting. He did not, Your Honor. No, he
12 didn't." There's no recruiting ever done through Plake &
13 Associates. And Mr. Cardwell continues, even when he's in
14 Court trying to blame somebody else, "He didn't, but I did."
15 And yet there's no evidence that even Paul Cardwell did. Lies
16 while under oath.

17 I don't have any confidence that he will tell the
18 truth today. I believe that he is willing to say whatever Paul
19 Cardwell thinks will help Paul Cardwell, and that's the type of
20 person he is.

21 Finally, Your Honor, I guess I have a couple points.
22 Number one, we know that he bilked the two companies he worked
23 with out of more than \$1.6 million. We know that he was the
24 organizer. We know that Mr. Plake was really a puppet for him.
25 We know that Paul Cardwell ended up with 75 percent of that

1 money. You know, I heard counsel for Mr. Cardwell suggest
2 that, well, we need to treat him similar to Mr. Plake. They're
3 not at all similar. It was Mr. Cardwell's idea. He formed
4 this idea to form this fake entity. He did the fake
5 recruiting. He directed the checks to be written. He took
6 three-quarters of the money. It was a Paul Cardwell scheme.
7 They're not the same.

8 I don't know how much money Paul Cardwell has left.
9 He has told Probation and Parole he doesn't have any. He's
10 offered to pay zero dollars even though he pocketed at least
11 \$1.3 million.

12 Here's what we do know, Your Honor. When he jumped
13 bail, he went to Thailand. He's living at a beach resort.
14 He's living a life of luxury and he's not working. He's got
15 money. We know that if he puts the money in the name of his
16 Thai wife-girlfriend, at least I've been told by Probation and
17 Parole, the United States can't get to it.

18 So I don't know how much money he's got, but I believe
19 whenever he gets out of jail he's going to benefit from his
20 ill-gotten gains. And I fully believe he will tell you he
21 doesn't have any, but we know that's just not true. He
22 couldn't have been or he wouldn't have been living the way he
23 was.

24 Your Honor, Mr. Cardwell has proven time and time
25 again that he will say whatever is in his best interests. You

1 know, counsel has suggested that he's a different man. I don't
2 believe there's been any switch flipped here. I don't believe
3 anything is different, and I fully believe he will stand up and
4 say whatever he thinks is going to benefit him.

5 The staff that had such trust and reliance in him are
6 devastated. The people that prayed for his poor ill wife and
7 family that had to be uplifted and moved out of the community,
8 they were prayed for. And Mr. Cardwell continued to steal, lie
9 and benefit nobody but Mr. Cardwell.

10 We believe he's been treated leniently. We ask you to
11 give him the maximum sentence you can, because whenever he gets
12 out of jail, I am convinced he's going to go have access to the
13 funds he's taken. Thank you, Your Honor.

14 THE COURT: Thank you.

15 MS. LESCHUCK: Your Honor, I believe the next speaker
16 is going to be Mr. Neil Todhunter, and he's with HealthTech.

17 MR. TODHUNTER: Good morning, Your Honor.

18 THE COURT: Good morning.

19 MR. TODHUNTER: My name is Neil Todhunter, N-e-i-l
20 T-o-d-h-u-n-t-e-r. I am president of the HealthTech Management
21 Services based in Brentwood, Tennessee, on whose behalf I am
22 speaking today. I have been president for almost two years.
23 Prior to that I served as HealthTech's regional vice-president
24 for the region that includes all of Wyoming, including Powell.

25 Both as president of HealthTech and as former regional

1 vice president I became very familiar with the circumstances
2 surrounding the hiring, tenure and termination of Paul Cardwell
3 as CEO of Powell Valley Healthcare. Likewise, I'm very
4 familiar with the effects of Paul Cardwell's fraud, other
5 deception and other misconduct at Powell Valley.

6 We at HealthTech have been providing hospital
7 management to communities in excess of 40 years. We have had
8 the privilege of serving and managing Powell Valley Healthcare
9 for 22 years, including by providing Powell Valley qualified
10 executive -- chief executive officers.

11 It has always been a good relationship by hiring a
12 worthy CEO for Powell Valley. When the prior CEO announced his
13 resignation towards the end of 2010, ultimately after the
14 responsible search process, HealthTech offered Paul Cardwell
15 the position as CEO at the request of Powell Valley board of
16 directors. HealthTech was optimistic about the hire and the
17 prospects for Cardwell's and Powell Valley's mutual success
18 because we had a lengthy tenure at the Indiana hospital with no
19 reported ethical or performance issues.

20 I know the counsel for HealthTech has submitted some
21 information to the Court regarding the extent of Paul
22 Cardwell's deception for both HealthTech and Powell Valley in
23 conjunction with the deception of Mr. Cardwell and Plake
24 Associates.

25 I am not -- I will not spend the Court's time

1 repeating any specifics of that information here today.
2 Suffice it to say, Cardwell concealed the fact that he had been
3 a long-term embezzler from the prior employer and had a
4 personal life and personal ambitions that otherwise made him
5 entirely unfit for the position of CEO at Powell Valley. He
6 was not only, to say the least, ethically unsuitable for the
7 position, but also uninterested in actually fulfilling the
8 duties of the position.

9 This all was unbeknownst to HealthTech and Powell
10 Valley, however, because Cardwell concealed all of this when
11 applying for the position by falsely portraying who he was and
12 what his goals and aspirations were.

13 Once on the job, instead of performing the duties of
14 CEO, he apparently spent most of his time and energy doing two
15 things: First, executing a scheme to steal close to a million
16 dollars with the collaboration of Michael Plake; second,
17 traveling to and staying in Thailand for his personal purposes
18 while lying to Powell Valley and HealthTech about where he was
19 and why.

20 Cardwell's explanations for why he was absent from his
21 post repeatedly implored HealthTech and Powell Valley to be
22 patient and understanding with him. On one trip to Thailand he
23 concealed where he was. Cardwell falsely claimed to be trying
24 to move his family from Indiana to Wyoming and needed much more
25 time than expected. Being compassionate, HealthTech and Powell

1 Valley granted the request for more move time.

2 To make another getaway to Thailand, he falsely
3 claimed to have been asked to assist the hospital in an
4 accreditation survey in Japan. Again HealthTech accommodated
5 him and granted him his request.

6 To cover up yet another trip to Thailand, Cardwell
7 falsely claimed he was in Indiana attending to his wife who he
8 falsely claimed was dealing with mental illness. Again
9 HealthTech and Powell Valley showed him great patience and
10 compassion, allowing him to remain away from Powell Valley.
11 HealthTech's leadership was concerned for Cardwell and his
12 family and never would have guessed in a million years that
13 this was all just a horrendous lie.

14 Cardwell repaid HealthTech and Powell Valley leaders
15 with lie after lie after lie. That is one reason why senior
16 HealthTech leaders feel victimized at a personal level by
17 Cardwell.

18 Regarding Cardwell's crimes of conviction, in
19 particular, HealthTech as a company has been victimized in
20 numerous ways. In managing our hospitals, depending on the
21 hospital involved, we employ the CEO and/or CFO and employ
22 corporate support to the board, the organization, as well as
23 the CEO. The hospital and HealthTech both have an obligation
24 to the communities we serve to provide competent quality
25 medical services and to represent the highest in corporate

1 integrity, honesty and trust. These elements comprise our
2 reputations to our patients, staff and physicians in our
3 communities. If HealthTech cannot trust the executives it
4 places in hospital facilities, it cannot maintain a viable
5 business nor can it continue to employ the dozens of people it
6 currently employs. In short, we would be out of business.

7 Mr. Cardwell violated all of these values in the
8 embezzlement of the funds and, in turn, has damaged the
9 reputation of Powell Valley Healthcare and HealthTech. The
10 monetary damages for Mr. Cardwell was in excess of \$847,000.
11 The embezzlement not only was a major blow to the hospital's
12 balance sheet, it also caused cash shortfall in the continuous
13 operations of the hospital.

14 We are pleased that HealthTech and insurers have made
15 the hospital financially whole; however, this does not occur
16 without significant challenges for HealthTech. HealthTech has
17 incurred hundreds of thousands of dollars in fees investigating
18 the incident and assisting in the financial recovery for Powell
19 Valley by making settlement payments to Powell Valley that were
20 not covered by insurance. However, HealthTech has not
21 recovered the vast majority of these out-of-pocket
22 expenditures.

23 In addition, HealthTech has expended countless hours
24 of employees' time to investigate and fix the damage caused by
25 Cardwell. Although hard to quantify, the economic value of

1 these diverted human resources is quite significant. This is
2 particularly true for a company like HealthTech which, although
3 established and blessed with wonderful clientele, is not a
4 particularly large company. The financial drain caused by
5 Cardwell has a very negative impact on HealthTech's operations
6 because it diverted important financial resources from other
7 important company projects.

8 Although the monetary loss to HealthTech is very
9 large, the damage to our reputation in the communities we serve
10 as well as our national reputation of HealthTech is equally
11 large and we are still in the recovery stages. Once a
12 reputation has been tarnished, it takes a very long time to
13 regain the trust and the integrity we once enjoyed. I have
14 personally worked to develop financial services relationships
15 with potential clients that based upon questions they have
16 asked and comments they have made to me ultimately determined
17 not to contract with HealthTech in part because Paul Cardwell's
18 conduct and the reputational damage that that conduct caused.

19 Fortunately the board, the hospital, the incumbent CEO
20 Bill Patten Junior, the staff and the physicians at Powell
21 Valley and HealthTech have been working hard to regain the
22 trust, the positive reputations we have had the privilege to
23 enjoy in the past. Nevertheless, the actions of Mr. Cardwell
24 have caused serious issues to Powell Valley and HealthTech, not
25 to mention White County Memorial Hospital in Indiana, and we

1 would hope that this Court would sentence Mr. Cardwell
2 commensurate with the magnitude of the damages he has caused to
3 our organizations. Not only is such a sentence appropriate for
4 Mr. Cardwell, but only a commensurate sentence will deter
5 hospital executives across the nation from preying on those who
6 trust them to lead those facilities and to care well for the
7 people living in those communities. Thank you, Your Honor.

8 THE COURT: Thank you.

9 MS. LESCHUCK: Your Honor, I believe the final speaker
10 is Eli Richardson, and he is counsel for HealthTech.

11 THE COURT: Thank you.

12 MR. RICHARDSON: Good morning, Your Honor.

13 THE COURT: Good morning.

14 MR. RICHARDSON: First thing I would like to do on
15 behalf of HealthTech is to thank the Court, the U.S. Probation
16 Office, the U.S. Attorney's Office for receiving our
17 information and hearing HealthTech's views regarding a couple
18 of the sentencing issues.

19 I just wanted to talk briefly to follow up on the
20 letter that the Court has alluded to here today. The letter
21 had two purposes. One was on behalf of the corporate victim
22 setting forth our position on a couple guidelines issues. We
23 didn't want to be in the position where on a couple of
24 guidelines issues that we felt very strongly about, the Court
25 may ultimately make a contrary ruling to our position, and then

1 after the fact we complain about it, which would be
2 inappropriate because on the front end if we have a view, we
3 wanted the Court, the Probation office, U.S. Attorney's Office
4 to hear about it.

5 As it turns out the Court has resolved those
6 guidelines issues, and that part of the letter I think has been
7 certainly addressed by the Court here today.

8 There was a second part to my letter, and that's the
9 3553(a) factors. And as the Court may recall in our letter,
10 our position was that, depending on where the guidelines
11 calculations ended up, a sentence within the guidelines range
12 may not be sufficient under 3553(a) to meet the sentences --
13 purposes of sentencing.

14 As it turns out, the guideline range is not an
15 insignificant guideline range here today. But our letter
16 addressed some of the arguments that Mr. Voyles, a very
17 competent counsel, made today. And that part of the letter
18 addresses the issue of whether the guideline range as it is is
19 adequate for the purposes of sentencing.

20 And my letter was addressing the fact that on a couple
21 of issues, we would submit the guidelines actually don't
22 account for all of the facts and circumstances of this case.
23 And to give the Court a couple of examples, for example, the
24 guidelines take account of the fact that Mr. Cardwell abused a
25 position of trust, but they don't specifically take account of

1 the fact that they didn't have just any position of trust but
2 he was the CEO of a relatively small community hospital, very
3 important position of trust and not just any position of trust.

4 Of course the guidelines do account for the fact that
5 we are dealing with a case involving misrepresentations. They
6 certainly account for that, but they don't really specifically
7 account for the fact that we have so many misrepresentations
8 involving Plake & Associates made to so many different people
9 at Powell Valley in ways that we submit were so egregious.

10 In addition, the guidelines take account of the fact
11 the two-level enhancement for the fact of obstruction of
12 justice based on the fact of Mr. Cardwell fleeing, but they
13 don't take into account of exactly how egregious this act of
14 fleeing was. It wasn't just maybe leaving the state, not
15 showing up for court, maybe hiding out somewhere. Instead, it
16 was much worse. This involved passport fraud, traveling on
17 someone else's passport, hiding out in a foreign country with,
18 as Mr. Copenhagen alluded to, in our view, ill-gotten gains.

19 So the guidelines don't account for the kind of flight
20 that we have in this particular case, and therefore, we think
21 that contrary to some of the arguments that the Court has heard
22 from Mr. Voyles, you know, the guidelines don't necessarily
23 account for all of the facts and circumstance. And so we
24 wanted to present them from our perspective to the Court for
25 its consideration.

1 The final point I would like to make, Your Honor,
2 relates to Mr. Cardwell's character generally. And the Court
3 has heard some comments in court here today. We said some
4 things in my letter regarding Mr. Cardwell's character. And it
5 is important to note we don't do that gratuitously to bash
6 Mr. Cardwell or beat up on Mr. Cardwell, preach at him or be
7 self-righteous or whatever.

8 The point is that the characteristics of the defendant
9 are definitely a relevant sentencing factor under 3553(a) and
10 particularly in anticipation of Mr. Voyles being capable
11 counsel presenting one picture of Mr. Cardwell, certainly in
12 the best light that he can, we wanted to advise the Court of
13 some other aspects of Mr. Cardwell's character that the Court
14 may not be familiar with.

15 And we submit it does not present a good picture, it
16 just doesn't, on the issue of whether he's contrite, whether he
17 would be a recidivist, whether he is someone that should get
18 credit under 3553(a) for good character or whether, instead,
19 character is a factor that actually counts against him.

20 Based on our review of the case and, of course,
21 HealthTech and Powell Valley did a lot of investigation, we
22 don't see how character is an issue that cuts in Mr. Cardwell's
23 favor. Instead, both his character and the nature and
24 circumstances of the offense here are so against Mr. Cardwell
25 that only a very serious sentence in our view would be

1 appropriate.

2 We really appreciate the Court's time and
3 consideration in listening to our views. Thank you.

4 THE COURT: Thank you, Mr. Richardson.

5 Ms. Leschuck, for the Government.

6 MS. LESCHUCK: Thank you, Your Honor. I guess what it
7 comes down to for the Court is what is sufficient but not
8 greater than necessary to address the factors that are in 3553.
9 And the Court has heard about those factors considerably today.

10 I think when you consider parity, I disagree with
11 Mr. Voyles that parity has to be seen in light of what happened
12 to Mr. Plake and the sentence that he received with the
13 downward departure request from the United States.

14 I think parity has to be more seen of what has gone on
15 in this district and how are people sentenced in this district
16 in similar situations. And the highest white-collar sentence
17 that's been handed down in this district happened in August of
18 2013, and that is Bob Reed with the wind farm case. That was
19 \$4 and a half million; it was a four- or five-state fraud;
20 there were over 70 victims, most of them elderly. And none of
21 them got their money back or when they get money back it will
22 be cents on the dollar. And most of those people lost their
23 entire retirement savings. That was a 151-month sentence.

24 And if you somehow swing Mr. Cardwell over and take a
25 look at where he is sitting and what he has done, he defrauded

1 two institutions which were fortunate enough to have insurance
2 and have been paid back, and now it becomes the job of
3 Mr. Cardwell to repay insurance companies in his eventual
4 restitution order. That is a fortunate occurrence that we
5 rarely, rarely ever see in this court in terms of restitution.

6 So where do we come out? And the recommendation of
7 the United States is in the middle of that calculated guideline
8 range. The United States recommends 121 months. That is about
9 four times the sentence that Mr. Plake got. Mr. Plake, again,
10 is a big player. I think most everyone agrees in that vein in
11 that he was sort of a facilitator more than he was an
12 organizer/leader. And of course those enhancements added on in
13 Mr. Cardwell's sentence.

14 But if we want to achieve some sort of parity and we
15 want to look at what is appropriate under all of the
16 circumstances and the totality of what has happened, the United
17 States believes that a sentence of 121 months achieves those
18 goals. It sets forth a deterrent effect. And it is a sentence
19 that is appropriate. Thank you.

20 THE COURT: Thank you, Ms. Leschuck.

21 Mr. Voss -- Voyles, anything before we hear from
22 Mr. Cardwell?

23 MR. VOYLES: No, Your Honor.

24 THE COURT: All right. Paul, if you would like to
25 step forward, I would be happy to hear your statement.

1 THE DEFENDANT: Your Honor. Your Honor, I realize
2 this may be the only public opportunity I have to apologize to
3 the Powell and Monticello, Indiana communities.

4 Your Honor, I was prideful, I was arrogant and I am a
5 thief. I look at the members of the Powell community, seeing
6 him -- although I hadn't met Mr. Patten before nor had I met,
7 as far as I know, Mr. Copenhaver, but I certainly know
8 Neil Todhunter, the president of HealthTech. And he's a good,
9 good, decent human being and a friend, I would think.

10 And I'm ashamed of my actions. I was so self-absorbed
11 and needing money for my substantial real estate losses in
12 Thailand, I simply did not see I was causing or the trouble I
13 was causing or would cause to the Powell hospital community.

14 I have had better than two years to consider my
15 actions, including the last eight months in prison. My
16 arrogance and pride fully convinced me I could sneak to
17 Thailand, make arrangements to send back my then 4-month-old
18 son. The previous year I was able to send back my 4-year-old
19 daughter from Thailand, Alicia. She remains here permanently
20 in the United States. I wanted to do the same for Alex, my
21 son, but he remains in Thailand.

22 That decision was wrong and cowardly. It is very
23 difficult especially at the school age for some of the children
24 in Thailand being of mixed blood, being both a farang, a
25 foreigner, and half Thai. I was able to get the 4-year-old

1 back, but not able to get the 1-year-old back. But that
2 decision to leave was ridiculous and cowardly.

3 My time in prison has been difficult, especially my
4 time in the Thai prison. There were no beds, no toilets, no
5 running water, and I was the only visible American in that
6 prison. Three meals per day of white rice and cucumber soup
7 had taken my weight down from 240 pounds to my current weight
8 of 182 pounds. But I feel fine. I feel fine.

9 I simply convinced myself that the money I was
10 stealing through Plake & Associates was due to me because of
11 the work I was doing. It was not true. The money was not
12 mine. It was not earned, and I was stealing to get it.

13 I have lost all because of my poor decisions. My
14 family, my friends, my employment, my home, my respect, my
15 freedom and my trust. I simply have no one to blame but myself
16 in this matter. I sincerely ask the citizens of Powell and
17 Wyoming and Monticello in Indiana to forgive me.

18 I am a different person from the Paul of two years. I
19 betrayed your trust, their trust and am deeply sorry for doing
20 so. I trust by my settlement or settling of the \$3.5 million
21 dollar civil suit, more than double -- more than double what I
22 had stolen, I can begin to demonstrate my willingness to pay
23 back the money I have taken.

24 My hope is that some of my other good deeds such as my
25 volunteer work running the tent hospital during Hurricane

1 Katrina for FEMA in New Orleans, serving with the Thai Red
2 Cross at the Puket hospital following the tsunami in Thailand
3 the day after Christmas and responding in Myanmar, Burma, to
4 assist after Cyclone Nargus, along with being elected school
5 board member and Goodwill Industries volunteer of the year,
6 Special Olympics coach, high school football coach and
7 multiple-year youth football coach.

8 But none of these services excuse my theft and poor
9 decision-making skills, none of them do, at Powell and
10 Monticello. But I wanted to be able to present a full person,
11 on one hand a thief, a liar, a pride-driven individual, coupled
12 with a long-term successful hospital CEO, a father, and a
13 community volunteer. I want and need to support my
14 one-year-old son in Thailand, and I need to support my
15 4-year-old daughter in Indiana. I would also like to begin
16 repaying Powell and White County Hospital as soon as possible.

17 Those causes would be best served by a balanced prison
18 sentence that takes into effect my theft and money laundering
19 with equal consideration of a previous crime-free life with
20 substantial family, work and volunteer credentials.

21 In just the short six months I've been at the
22 Scottsbluff, Nebraska detention facility, I have progressed
23 from being escorted anytime I left my cell -- whether that was
24 to recreation, whether that was to the library, to the fitness
25 area or to booking -- and as my PSI indicated from

1 Mr. Fitzgerald, am now the lead volunteer teacher for the GED
2 classes for some of those federal inmates and state inmates
3 that are trying to pass their GED, and I lead a
4 four-times-a-week Bible study program. Not really qualified to
5 do so, but, you know, I enjoy it and the other inmates seem to
6 enjoy it and I've certainly learned quite a bit from doing
7 that, the Bible study.

8 The pride and arrogance are gone, simply gone. The
9 time in the Thai prison and you sleep on the floor amongst 60
10 other people that are also on the floor and you use a hole in
11 the floor for your toilet and you don't have a pillow and
12 you're starving basically, and you realize the mistakes.

13 It is entirely my fault. I'm the one that left and
14 went to Thailand. I thought at the time I was leaving under --
15 you know, just truly didn't occur to me I was leaving under
16 anything other than good intentions to bring back my son,
17 although now I realize that was both cowardly and arrogant.

18 The pride and arrogance are gone. Now I plan to
19 reestablish the trust I lost with my family, my friends and
20 community. I need to pay for my crimes. My decision to steal
21 and flee was arrogant. Please balance the wrong I have
22 committed with the good I've accomplished in my 47 years.

23 Lastly I want to apologize again to Powell, the
24 citizens of Monticello and my family for my actions. Thank you
25 for the opportunity to speak.

1 THE COURT: Thank you, Mr. Cardwell.

2 Is there a recommendation for designation?

3 MR. VOYLES: Please the Court, we would recommend the
4 Federal Correctional Facility at Terre Haute, Indiana, the
5 minimum security facility there, Your Honor.

6 THE COURT: All right. Well, I appreciate the
7 Comments that I've heard today. I would like to thank all of
8 you who have traveled some distance: Mrs. Cardwell, the
9 representatives of HealthTech and Powell.

10 Mr. Richardson, hopefully all of your travels -- all
11 of your return travels will hopefully be safe. I think it may
12 still be snowing.

13 I know it is time out of your schedule. You have
14 spent a considerable amount of time addressing this issue. I
15 can appreciate Mr. Patten's comment that -- I believe it was
16 Mr. Patten's comment that people are still wondering whether
17 this will reach closure. It has been a long time coming to
18 this point, and I'm -- and I appreciate your patience and your
19 comments through letters.

20 Thank you, Mr. Cardwell, and Mr. Voyles, for
21 collecting the letters from the community and the family. It
22 is important to have a picture of the individual that's before
23 you, something other than the picture of the conduct that has
24 brought the individual into court.

25 This is a troubling fraudulent scheme to take so much

1 money from community hospitals that struggle to keep what they
2 see as a gem in their community up and running. A community's
3 vitality is related to the adequate delivery of healthcare
4 services that their -- individuals who live there, the citizens
5 of Powell and Monticello, expect. It is cold comfort to be
6 told to travel outside the community for serious health needs
7 that warrant attention at a hospital.

8 And so those small community hospitals scattered
9 around Wyoming as well as other states are significant to the
10 economic vitality of the community, the ties within the
11 community.

12 I appreciate the time and attention the board members
13 spend as volunteers. They face their constituents every day in
14 the grocery stores, at school events. And so when something
15 happens like this in such a small community, their claims of
16 sleepless nights and lack of trust are well believed by me. I
17 know it has to be hard on that community, not only the board
18 members, but the staff and administration.

19 I appreciate your comment, Mr. Cardwell. Whether your
20 intelligence and charismatic personality were corrupted by
21 greed or pride or some rationalization, it is really hard for
22 me to tell. I appreciate your statements of apology and
23 contrite views about the events. Hopefully that sense to
24 appear successful, and not just successful, but to be the most
25 successful or the very brightest -- hopefully that drive is and

1 will be modified over time. The world is full of people living
2 happy, healthy lives within family in loving communities that
3 are not the brightest and most successful, and yet they have
4 their God and their family and their community that fills in
5 whatever deficits might exist.

6 In looking at a sentence sufficient but not greater
7 than necessary and considering the 3553(a) factors -- I
8 appreciate the Powell community urge to impose the longest
9 sentence authorized by law. That sentence is 20 years. That's
10 the maximum sentence authorized under the statute. The
11 guideline range provides a heartland for cases in terms of a
12 guideline range sentence, and so much of the consideration is
13 does this case fall within the heartland of cases for this type
14 of conduct.

15 And it is the Court's conclusion that the guideline
16 provision does well reflect the conduct at issue, including all
17 of the enhancements. I simply do not see a basis to vary under
18 Booker factors upward by way of seven levels to get to a
19 20-year sentence. It exceeds the sentence mentioned by
20 Ms. Leschuck in the wind farm case, and the conduct,
21 considering all of the enhancements and the amount of loss,
22 simply in my opinion don't warrant a seven-level variance. I
23 don't believe that that would be defensible in this case, even
24 understanding the articulated factors that were so adequately
25 and sufficiently advanced by Mr. Copenhaver and Mr. Patten.

1 That, too, denies the motion for variance considering
2 the Booker factors downward advanced by Mr. Cardwell. I agree
3 with Ms. Leschuck that Mr. Plake isn't the best indicator of
4 sentencing for Mr. Cardwell considering all of the factors. It
5 was apparent to the Court -- I was the one who sentenced
6 Mr. Plake. It was a difficult sentencing. His daughter burst
7 out in tears and ran from the courtroom hoping against the
8 sentence stated that her father would receive some probation
9 or, at a minimum, a shorter sentence that would allow her to
10 have the benefit of her father during those important high
11 school years.

12 Mr. Plake, while certainly culpable for his role in
13 the scheme, was not the individual who was most culpable in
14 putting the scheme together, seeing the need for a scheme in
15 the first place and aggressively advancing the scheme in the
16 Powell community where they ended up losing so much in such a
17 short period of time. And so I don't see Mr. Plake as the best
18 indicator for a sentencing comparison.

19 I do, though, agree with Mr. Richardson's
20 characterization of those factors that are the most
21 distinguishing in this case: The fact that this fraud was
22 perpetrated against two community hospitals and their -- the
23 nature of their service in the community, the nature of their
24 importance, and the fallout, if you will, the long-lasting
25 emotional and financial repercussions that can be expected from

1 a fraud perpetrated against such an entity, I think that is a
2 factor that warrants consideration.

3 The amount of deceit is another factor. For me, it
4 was the escalation of the fraud from Indiana to Powell that
5 causes me the most concern. I think it was stated, well
6 stated, that Mr. Cardwell perfected it in Indiana to such a
7 degree that Powell Valley was quickly defrauded, much to their,
8 I think, long-lasting detriment. And that detriment will be
9 board members that will be reluctant to agree to serve, staff
10 members that will remain worried about their position and
11 the -- and their role vis-a-vis the board, and the leadership
12 by Mr. Patten will, in all likelihood, continue to be
13 second-guessed by the leadership within that community which
14 will affect his ability to lead and govern as a CEO.

15 And while the obstruction of justice enhancement was
16 properly imposed, this is -- this was a unique flight to avoid
17 prosecution. I appreciated hearing Mr. Cardwell's comments
18 concerning his desire to go to Thailand to bring his young son
19 home, but that did not happen. And only through the good work
20 of our federal and Thai counterparts are we here today at this
21 time for sentencing.

22 So with those considerations, I agree with the
23 Government in terms of the proper place for sentencing. It is
24 not at the high end of the guidelines. I don't think this is a
25 high-end or above-the-guideline case. But it is in the middle

1 of the range which considers this defendant has no criminal
2 history and all of the other factors concerning the scheme and
3 implementation.

4 So with that long explanation, I will state sentence.

5 Pursuant to the Sentencing Reform Act of 1984 and
6 those factors set forth in 18 USC Section 3553(a), it is the
7 Judgment and Sentence of the Court that the Defendant Paul D.
8 Cardwell is hereby sentenced to a term of 121 months in the
9 custody of the Bureau of Prisons as to both Dockets 12-CR-81-02
10 and 13-CR-254, concurrent.

11 Upon release from custody, the defendant shall be
12 placed on supervised release to be served concurrent as to both
13 dockets for a term of three years.

14 Within 72 hours of release from the custody of the
15 Bureau of Prisons, the defendant shall report in person to the
16 probation office in the district to which he's released.

17 While on supervised release the defendant shall abide
18 by the mandatory and standard conditions of release adopted by
19 this court, with the exception that mandatory drug testing is
20 waived, and shall also comply with the following special
21 conditions.

22 The defendant shall not incur any new debt or credit
23 without the permission of the U.S. Probation Officer. The
24 defendant shall provide full financial disclosure to the U.S.
25 Probation Officer, including detailed documentation of income

1 and expenses. The defendant shall cooperate with the Internal
2 Revenue Service and file tax returns timely and lawfully and
3 pay any back taxes, penalties and interest as determined by the
4 Internal Revenue Service.

5 Any employment shall be subject to the prior approval
6 of the U.S. Probation Officer.

7 The defendant shall submit his person, residence,
8 storage facility, office or vehicle to a search conducted by a
9 U.S. Probation Officer at a reasonable time and in a reasonable
10 manner upon reasonable suspicion of contraband or evidence of a
11 violation of these conditions. Failure to submit to a search
12 may be grounds for revocation, and the defendant should warn
13 all other occupants that the premises may be searched pursuant
14 to this condition.

15 The defendant shall participate in a cognitive
16 behavioral treatment regimen which may include but is not
17 limited to moral reconnection therapy, cognitive thinking,
18 Thinking For A Change or interactive journalling. The
19 defendant shall actively participate in treatment until
20 successfully discharged or until excused from the treatment
21 regimen by the probation officer.

22 The Court finds that restitution is mandatory in this
23 case and orders restitution of \$1,698,664.77, due immediately,
24 inclusive of penalties and interest if applicable.

25 The Court finds the defendant does not have the

1 ability to pay a fine in addition to restitution, and no fine
2 is ordered.

3 It is ordered the defendant shall pay a special
4 assessment fee in the amount of \$300 which shall be due
5 immediately. Payments for monetary obligations shall be made
6 payable by cashier's check or money order to the Clerk of the
7 District Court, 2120 Capitol Avenue, Cheyenne, Wyoming 82001.

8 The defendant shall participate in the Inmate
9 Financial Responsibility Program to pay his monetary
10 obligations. The defendant shall pay all financial obligations
11 immediately. While incarcerated the defendant shall make
12 payments of at least \$25 per quarter. Any amount not paid
13 immediately or through the Inmate Financial Responsibility
14 Program shall be paid commencing 60 days following the
15 defendant's release from custody in monthly installments of not
16 less than \$1,000 or 10 percent of the defendant's gross monthly
17 income, whichever is greater. All monetary payments shall be
18 satisfied not later than 60 days prior to the defendant's --
19 the expiration of the defendant's term of supervision.

20 Pursuant to the plea agreement, the defendant has
21 waived his right to appeal. Appeal waivers are routinely
22 enforced by the Tenth Circuit Court of Appeals.

23 The Court would recommend designation, assuming the
24 defendant's classification allows such, to Terre Haute,
25 Indiana, to facilitate visitation by family and friends.

1 Other than reasons previously argued is there any
2 reason why sentence should not be imposed as previously stated?

3 MR. VOYLES: If it please the Court, none, Your Honor.

4 THE COURT: Thank you, Mr. Voyles.

5 For the Government?

6 MS. LESCHUCK: No, Your Honor.

7 I do have a motion I need to make.

8 THE COURT: All right. Please.

9 MS. LESCHUCK: We would move to dismiss Counts 3
10 through 15 of the Wyoming indictment. That's 12-CR-81-F.

11 I would like to put on the record there is the
12 potential for a 5K motion, will not be made today, as Mr.
13 Voyles indicated, but we expect that by summertime we will be
14 addressing that issue.

15 THE COURT: Counts 3 through 15 of Case No. 12-CR-81-F
16 are dismissed as moved by the United States.

17 Sounds like we will see you back in person or at least
18 by written paper filings.

19 MR. VOYLES: Be my pleasure to come back, Judge,
20 except in nicer weather. It is terrible at home.

21 THE COURT: You can't count on nicer weather, even in
22 the summer it seems.

23 Again, thank you all very much for your travel here
24 today and for your time and attention to this matter. I
25 appreciate your written filings and your comments today.

1 Again, safe travels.

2 Is there anything else before we conclude this matter?

3 MR. VOYLES: Nothing on behalf of the defense, Your
4 Honor.

5 MS. LESCHUCK: Nor the United States, Your Honor.

6 THE COURT: All right. This concludes the sentencing
7 in Dockets 12-CR-81 and 13-CR-254. Counsel is excused. I will
8 remand the defendant to the custody of the Marshal.

9 I will stay on the bench as we have a sentencing at
10 11:00.

11 I will impose the sentence as stated.

12 (Proceedings concluded 10:50 a.m., January 27, 2014.)

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I, JANET DAVIS, Federal Official Court Reporter for the United States District Court for the District of Wyoming, a Registered Diplomate Reporter and Federal Certified Realtime Reporter, do hereby certify that I reported by machine shorthand the foregoing proceedings contained herein on the aforementioned subject on the date herein set forth, and that the foregoing pages constitute a full, true and correct transcript.

Dated this 24th day of December, 2014.

/s/ Janet Davis

JANET DAVIS
United States Court Reporter
Registered Diplomate Reporter
Federal Certified Realtime Reporter